



February 28, 2013

Obama Sequester Exacerbates Obama Defense Cuts

Democrat plans to reduce the deficit entail nothing more than cutting defense spending massively and enacting class warfare tax hikes on hardworking Americans.

Defense Cuts Proposed Prior to Sequestration

In its fiscal year 2012 budget [request](#), the Department of Defense committed to cutting its own budget by \$78 billion over the next five years.

Two months later, President Obama [announced](#) his intention to seek an additional \$400 billion in defense cuts over the next 12 years.

In effect, the Budget Control Act, aside from the automatic enforcement mechanisms of sequester and revised caps, substantially reflects the defense cuts President Obama was already planning. It would be difficult to find similar proposals from Democrats for other agencies.

- As [CRS](#) points out, the Obama Administration's projection for defense spending after the BCA would reduce defense budgets by \$487 billion from fiscal years 2012 to 2021 when compared to the fiscal year 2012 request, which was submitted in February 2011, prior to the BCA.
 - That is roughly equivalent to the \$478 billion in cuts it had announced prior to BCA enactment.
 - Moreover, cuts to the Defense Department comprised approximately half of the total amount of discretionary spending cuts required by the Budget Control Act even though it comprises approximately 20 percent of total federal spending.

Post-Sequester Implementation

Budget Function 050 covers all national security spending, most notably spending at the Defense Department. It also includes Department of Energy defense-related programs, such as for the nuclear weapons enterprise, as well as FBI national security programs. This chart covers Budget Function 050, not including spending on Overseas Contingency Operations Accounts, which are

not constrained by the BCA spending caps:

FY12 Obama request (pre-Budget Control Act)	\$578 billion
FY12 appropriated (post-BCA)	\$554 billion
FY13 Obama budget request (post-BCA)	\$552 billion
FY13 appropriated (year-long equivalent, per CR)	\$557 billion
FY13 post-sequester implementation	\$514 billion
FY14 revised cap	\$497 billion

Source: staff calculation based on CBO data

There are additional noteworthy facts that come from this:

- The Department of Defense Comptroller has [assessed](#) implementation of the sequester will mean a \$46 billion reduction for the Department, which is a nine percent reduction in all accounts across the board, including OCO accounts (except military personnel).
 - Former Secretary of Defense Gates [testified](#) in 2011 that a 10 percent cut to defense spending in one year “operationally would be catastrophic.”
- If no Congressional action is taken, defense spending will decrease in 2013 and then again in 2014. It will then increase each year thereafter, but not get back to 2013 [levels](#) until 2018.
- According to CBO’s most recent 10-year [outlook](#), mandatory spending will [increase](#) 80 percent in the coming decade, compared to an 11 percent increase in discretionary spending.
- Defense spending, on the other hand, under the Obama Administration will remain at historic lows, especially when compared to other times of war, yet this is where Democrats continue to cut.
- Defense spending will decline every year as a percentage of GDP. At the same time, spending across the federal government is projected to be higher than its 40-year average.
 - Defense spending was 4.2 percent of GDP in 2012, [down](#) from 4.5 percent in 2011.
 - As a historical comparison, using OMB [tables](#), defense spending was 37.5 percent of GDP in 1945 (WWII), in 1953 (Korea) it was 14.2 percent, and at the peak of Vietnam (1968) it was 9.4 percent.
 - OMB projects defense spending will be 3.5 percent of GDP in 2014; 3.1 percent in 2015; 3.0 percent in 2016; and 2.9 percent in 2017.
 - As the CBO director [testified](#) in October 2011, defense spending is “well below the average for defense spending since World War II.”

Defense spending should naturally be subject to the same scrutiny as all other federal programs. Any claim that defense spending is recklessly out of control, however, and that cutting it will solve our fiscal crisis, simply does not hold up to the facts.